

A regular meeting of the Michigan Public School Employees Retirement System Board was held at the General Office Building, 7150 Harris Drive, Conference Room A, Dimondale, Michigan, on Thursday, May 3, 2007. The following members, staff and observers participated:

Members Present:

Ivy Bailey, Classroom Teacher, Active
 Lenore Croudy, Community College Trustee
 Jeff Hoffman, General Public Member, Actuarial Experience
 Jeremy Hughes, representing the Superintendent of Public Instruction
 William Lawson, Retired Finance/Operations Member and as a representative of the largest retiree organization
 Edwin Martinson, Reporting Unit Board of Control Member
 Richard Montcalm, Finance/Operations Member, Non-superintendent
 John Olekszyk, Retiree member
 Diana Osborn, Non-Certified Support Member
 Martha Pichla, Active Classroom Teacher Member

Staff Present: Phil Stoddard, Executive Secretary
 Terry Rideout, Recording Secretary

Others Present: Bonnie Carpenter, Donald Miller, Marie Wilkerson, Johann Ingold, Waltrant Ingold, Michael Gardner, Ernest Dear, Don DeKeyser, Joe Curtin and Chuck Abshagen, of the Michigan Association of Retired School Personnel; Earl Hagstrom, Mary Christian, Richard Hosking, Chuck Agerstrand, and John Winn of the Michigan Education Association-Retired; Janet Ketchum of the Retirement Coordinating Council; Jewel Gines of the Detroit Federation of Teachers-Retired; Mary Ellen Caldwell of Central Michigan University; Richard Schaper of Western Michigan University; John Sloane of Macomb ISD; Kim Cosgrove of Holt Public Schools; Tom Burroughs of the Flint Board of Education; Barbara Murphy and Branko Jojicic of Blue Cross Blue Shield of Michigan; Lisa Eggert of Delta Dental; Barbara Aikman of the Vision Services Plan; Ben Louagie of Gabriel Roeder Smith & Co.; Richard Williams of Williams & Company; Cullen Casey of Thrun Law Firm; Tom Schimpf, Larry Brya and Patrick Fitzgerald of the Attorney General's Office; Henry Pichla; and Laurie Hill of the Office of Retirement Services.

Call to Order

Chair Diana Osborn called the meeting to order at 10:30 a.m.

Excusing of Absent Members

Edwin Martinson moved, Lenore Croudy supported, to excuse the absences of Gary Allen and Marc Whitefield. The motion carried unanimously.

Approval of Agenda

William Lawson moved, Martha Pichla supported, to approve the agenda as presented. The motion carried unanimously.

Approval of Minutes

Lenore Croudy moved, Martha Pichla supported, to approve the minutes of the March 29, 2007, meeting as presented. The motion carried unanimously.

Administrative HearingsProposal for Decision – Docket 2006-AH045

The Board considered the case materials. Richard Montcalm moved, Jeremy Hughes supported, that the Board adopt as its own the recommendation of the Presiding Officer in the February 2, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law, except for the changes requested by Respondent, and deny Petitioner's request for non-duty disability retirement benefits. The motion carried unanimously.

Proposal for Decision – Docket 2006-AH056

The Board considered the case materials. Richard Montcalm moved, Ivy Bailey supported, that the Board adopt as its own the recommendation of the Presiding Officer in the March 1, 2007 PFD, and dismiss Petitioner's request for disability benefits without prejudice. The motion carried unanimously.

Proposal for Decision – Docket 2006-AH007

The Board considered the case materials. Richard Montcalm moved, Jeremy Hughes supported, that the Board adopt as its own the recommendation of the Presiding Officer in the February 18, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for non-duty disability retirement benefits. The motion carried unanimously.

New Business

Diana Osborn read a resolution honoring former Board member, Gail Nugent. Diana Osborn moved, Jeremy Hughes supported, that the resolution be adopted. The motion carried unanimously.

Standing Reports

Committee Reports

Diana Osborn reported that the Health Insurance Committee met following the March 29, 2007, Board meeting and would be meeting again today following the Board meeting to continue moving forward on health care issues.

Richard Montcalm offered additional information on the bills included on the legislative report and reported that the Legislative Committee had met to discuss the Board's request for deferred beneficiary legislation (to allow a deferred member, no longer working and not eligible for retirement to name a beneficiary to receive the benefit in case of death prior to retirement). Materials were provided to Board members for review and this issue will be placed on the June 14, 2007, meeting agenda for Board action.

Board Comments

William Lawson commented that he had attended the Public Pension Policy Roundtable in Birmingham, Alabama. He discovered from conversations with other attendees that pension board operations can vary greatly from state to state. He reported on the investments made by the Alabama Retirement System and how these investments are helping to build up the economy of Alabama and pre-fund health care. He also offered comments on statements made by the Government Accounting Standards Bureau (GASB) regarding unfunded liability. Mr. Lawson offered personal comments on what he sees as unwarranted attacks on the Michigan Public School Employees Retirement system by several newspapers and organizations outside of state government.

Jeff Hoffman commented that his understanding of GASB is that the intent is to view all post employment obligations, pension or health care, whether public or private sector on a uniform basis. He also stated that no funding approach is indicated, rather corporate America is pushing the funding vehicle. Mr. Hoffman also stated that in the Wall Street Journal article referenced by Mr. Lawson, that health care for current teachers is discussed rather than retiree health care.

Lenore Croudy and Martha Pichla expressed concern that they continue to receive calls from retirees regarding Medicare Advantage issues. Phil Stoddard reassured the Board that all issues are being addressed in a timely manner and Office of Retirement Services staff continue to work with Blue Cross Blue Shield (BCBSM) to resolve all member issues. Mr. Stoddard thanked the retiree groups for their help in sending provider issues to the Office of Retirement Services for resolution. Barbara Murphy from BCBSM answered questions regarding information updates on their website.

Public Comments

Comments were received from Ernest Dear, Earl Hagstrom, and Charles Agerstrand.

Executive Session

Martha Pichla moved, Lenore Croudy supported, that the Board move to executive session to discuss pending litigation with legal counsel, as allowed under the Open Meetings Act, Section 8(e). A roll call vote was taken and the motion carried unanimously. A brief recess was taken to allow the public to exit the room.

The Board entered Executive Session at 11:22 a.m.

The Board returned from Executive Session at 12:05 p.m.

Unfinished Business

Docket 2007-AH035, Wayne Circuit Court, Docket No. 07-705880. Edwin Martinson moved, Martha Pichla supported, to approve the settlement agreement for the Michigan Public School Employees' Retirement System and authorize the Executive Secretary of the Board to execute the agreement on behalf of the System. The motion carried unanimously.

Ingham Circuit Docket No. 06-1684-AA. William Lawson moved, Lenore Croudy supported, to direct the Board's attorney, on the conditions and terms discussed, to seek a settlement with the Petitioner regarding the transfer to the Member Investment Plan (MIP). A roll call vote was taken and the motion was rejected with 6 no votes, 3 yes votes and 1 abstention.

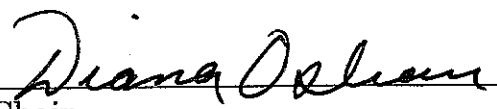
Ivy Bailey	yes	Lenore Croudy	yes	Jeff Hoffman	no
Jeremy Hughes	no	William Lawson	yes	Edwin Martinson	no
Richard Montcalm	no	Martha Pichla	no	Diana Osborn	no
John Olekszyk	abstained				

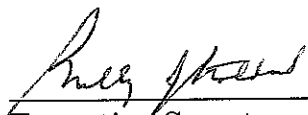
William Lawson moved, Martha Pichla supported, to direct the Assistant Attorney General to resist under the Attorney-Client Privilege, the demand that the October 5, 2006, briefing memorandum to the Board be released. The motion carried unanimously.

Adjournment

Martha Pichla moved, Lenore Croudy supported, to adjourn the meeting at 12:15 p.m. The motion carried unanimously.

OFFICIAL MINUTES


Chair


Executive Secretary